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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH 1109 Domestic and export prices for white and parboiled rice increased significantly between 6-8 percent as exporters continue facing difficulties in securing rice supplies to fulfill outstanding contracts. Millers continue holding large supplies of current off-season-crop paddy in expectation to participate in the Paddy Pledging Program. The policy is currently being discussed in Parliament and the program's details should be finalized by end the week.

Post:
Bangkok

Market Tones

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MET), Week ending Aug. 15, 2011									
Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	REV.
FWR 100B	1,060	-	1,050	-	1,060	1,040	-	1,053	1,045
WR 100B	620	-	585	-	590	625	610	606	573
PR 100%	635	-	615	-	595	645	615	621	577
PR 5%	630	-	610	-	590	640	610	616	572
WR 5%	600	-	575	-	570	605	595	589	554
WR 10%	595	-	-	-	565	600	-	587	548
WR 15%	575	-	-	-	560	595	-	577	540
WR 25%	555	-	-	-	550	-	-	553	520
WR 35%	-	-	-	-	-	-	-	-	-
A1 SDP	475	-	-	-	460	-	-	468	463
A1 SEC	-	-	-	-	-	-	-	-	-
Exchange rate: 29.70 baht/US\$									
Source: Average actual prices received from exporters									

Domestic and export prices for white and parboiled rice increased significantly between 6-8 percent as exporters continue facing difficulties in securing rice supplies to fulfill outstanding contracts. Millers continue holding large supplies of current off-season-crop paddy in expectation to participate in the Paddy Pledging Program. The policy is currently being discussed in Parliament and the program's details should be finalized by end the week.

The government's weekly benchmark price for white rice for August 15-21, 2011 increased 3.08 percent. As such farmers will receive lower compensation compared to the previous week. Farmers that sell their supplies this week will not attain insurance price, as compensation will fall short due to higher benchmark price over market prices.

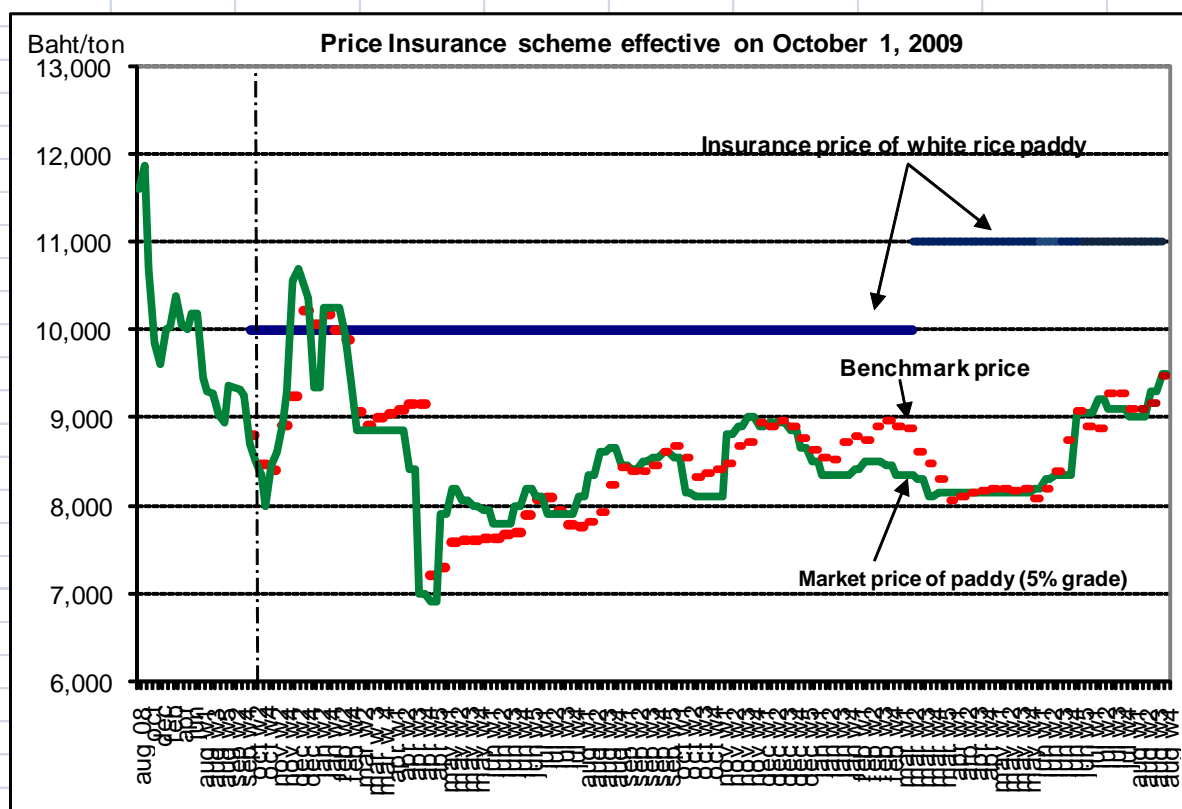
Table 2: Price Insurance Scheme for MY2009/2010 - MY2010/2011 rice crop

		Rice paddy				White rice
		Fragrant rice (Hommati)	Provincial fragrant rice	Pathum fragrant rice	Glutinous rice	
1. Eligible tonnage (ton/household)		14	16	30 ^{a/}	30 ^{a/}	30 ^{a/}
2. Insured prices (Baht/ton) ^{d/}		15,300	14,300	11,500	10,000	11,000
3. Benchmark prices (Baht/ton) ^{b/ c/}						
	Jul 25-31	-	-	10,753	15,048	9,285
	Aug 1-7	-	-	10,622	15,138	9,091
	Aug 8-14	-	-	10,669	15,063	9,090
	Aug 15-21	-	-	10,690	14,614	9,173
	Aug 22-28	-	-	11,009	14,794	9,465
4. Compensation (1-2), (Baht/ton)						
	Jul 25-31	-	-	747	-	1,715
	Aug 1-7	-	-	878	-	1,909
	Aug 8-14	-	-	831	-	1,910
	Aug 15-21	-	-	810	-	1,827
	Aug 22-28	-	-	491	-	1,535
5. Market prices (Baht/ton)						
	Jul 25-31	14,450	13,000	11,750	17,250	9,100
	Aug 1-7	14,450	13,000	11,750	16,750	9,000
	Aug 8-14	14,450	13,600	11,750	16,750	9,000
	Aug 15-21	14,450	14,100	10,150	16,250	9,300
	Aug 22-28 ^{f/}	14,450	14,100	10,150	15,750	9,500

Note:

^{a/} Cabinet approval on March 8, 2010 to raise eligible tonnage to 30 tons/household for MY2010/11 off-season crop^{b/} Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.^{c/} Starting Apr. 26, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok.^{d/} The insured prices of MY 2009/10 second-crop Pathum Fragrant rice were revised up from 10,000 baht/MT in MY2009/10 main-crop price insurance scheme, effective Mar. 16, 2010. In addition, the insured prices of MY2010/11 season-crop Pathum Fragrant rice were revised up again to 11,500 baht/ton, effective Mar. 16, 2011. Also, those of white rice were raised from 10,000 baht/ton to 11,000 baht/ton, and glutinous rice from 9,500 baht/ton to 10,000 baht/ton.^{e/} The benchmark prices of fragrant rice and Provincial fragrant rice are for MY2010/11 main crop.^{f/} As of Aug 22, 2011**Figure 1: Comparison of market price, insurance price, and benchmark price**

Figure 1: Comparison of market price, insurance price, and benchmark price



Note: 1/ Benchmark prices are average historical wholesale prices which will be used for the calculation of compensation to farmers. The compensation is based on the difference between insurance prices and benchmark prices.

^{2/} Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.

^{3/} Starting Apr. 26, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok.

Rice Export Update

Unofficial rice exports (excluding fragrant rice) August 16-21, 2011 totaled 146,492 tons, up 23,130 tons from the previous week. Exports of white rice and parboiled rice during January 1 – August 21, 2011 totaled 6,346,327 tons, up 73.4 percent from 3,659,891 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – August 17, 2011 amounted to 7,815,042 tons, up 56.8 percent from 4,982,648 tons in the previous year.

Table 3: Weekly rice exports (excluding fragrant rice)					
WEEK ENDING	QUANTITY	4-WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	(%)
Jun 12	235,908	224,785	4,618	2,649	74.3
Jun 19	206,226	230,747	4,824	2,754	75.2
Jun 26	234,849	229,912	5,059	2,854	77.3
Jul 3	185,298	215,570	5,244	2,941	78.3
Jul 10	193,263	204,909	5,438	3,044	78.6
Jul 17	165,055	194,616	5,603	3,184	76.0
Jul 24	176,480	180,024	5,779	3,305	74.9
Jul 31	166,204	175,251	5,945	3,415	74.1
Aug 7	131,189	159,732	6,076	3,501	73.6
Aug 14	123,362	149,309	6,200	3,581	73.1
Aug 21	146,492	141,812	6,346	3,660	73.4
<i>Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.</i>					
Source: Board of Trade of Thailand					

Table 4: Weekly private registered rice export sales			
Movement (MT)	Aug. 1-5 (Revised)	Aug. 8-12 (Revised)	Aug. 15-19
Weekly sales	173,225	112,309	272,691
4 week sum	709,394	627,697	761,463
4 week mov. avg.	177,349	156,924	190,366
Year-to-date sales	6,691,259	6,803,568	7,076,259

End of report.